

COMPANY NUMBER: 05487537 (England and Wales)

CHARITY NUMBER: 1120355 (England and Wales)

HILLSONG CHURCH LONDON

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

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Reference and Administrative Information

Registered office and advisors

Hillsong Church London ("The Church") is a company limited by guarantee (Company No: 05487537)

Registered Charity Number 1120355

Registered Office Hillsong Church London
425 New Kings Road
Fulham
London
SW6 4RN

Company Secretary R Newton

Trustees R Dacre (Chairman)
J Lestz
R Newton
Dr S Wilson
E Simmons
D Whitewood
C Okeke
U Obi
D Bagheri

Management Team G J Clarke (Senior Pastor and Chief Executive Officer, resigned 30 April 2021)
T Douglass (Senior Pastor and Chief Executive Officer, appointed 5 May 2021)
A Spies (Chief Financial Officer)

Bankers Barclays Bank plc
126 Station Road
Edgware
Middlesex
HA8 7RY

Auditors RSM UK Audit LLP
25 Farringdon Street
London
EC4A 4AB

Solicitors Bates Wells & Braithwaite
10 Queen Street Place
London
EC4R 1BE

Trustees' Report (Including Strategic Report)

The Trustees, who are also Directors of the company for Companies Act purposes, present their report for the year ended 31 December 2021.

Objectives and Activities

Principal aims and objectives

The principal aim and objective of Hillsong Church London ("the Church") is that of advancement of the Christian faith for the benefit of the public in the UK, Europe and elsewhere by the pronouncement of the Gospel of Jesus Christ in accordance with the Statement of Faith referred to in the company constitution.

Strategy

Our strategy in achieving these objectives has remained constant since the Church was first established:

1. To take the truth of the Gospel and teachings of the Christian faith and communicate them in the language and style of today's culture.
2. To build a large Christ centred Bible-based church headquartered in London, able to serve the Greater London area, the UK and Europe.
3. To engage all members of the Church to:
 - i. Be relationally connected in a Small Group in the life of the Church.
 - ii. Serve in some capacity, adding to the health, life and expression of the Church.
 - iii. Be involved in some form of personal social justice.
 - iv. Sustain one thing to help someone break out of the cycle of injustice.
 - v. Take personal responsibility to encourage people in their day to day life to become part of the expression and life of the Church.
 - vi. Personally study and to journal.
 - vii. Contribute financially.

Principal Activities

This past year has seen a continuation of our principal activities however the format of these activities has changed due to the significant impact of the Covid-19 pandemic and related control measures in the UK and around the world.

On 23 March, 2020 the UK Government announced various control measures in response to the Covid-19 which impacted the charity. The main impact of these measures was the restriction of the principal activity of regular Sunday church services. From this date, regular services and any other gatherings, including small groups, was not permitted to proceed.

In 2021 the main impact of Covid-19 related restrictions continued to be the inability to hold any services or events in person. Accordingly, all church services and activity continued to be broadcast on several online platforms. Commencing in June 2021 and in line with UK Government restrictions at the time, physical meetings re-commenced, starting with Sunday church services. Hillsong was able to return to the majority of venues and locations as had operated pre-Covid, and saw increasing numbers of attendees return to services since launch.

The charity has been able to continue to respond to changing needs of communities as a result of Covid-19 and control measures. Significant programs in 2021 included Love Your Neighbour and continued support for refugees and asylum seekers.

The principal activities of the church continued to be:

1. In line with changing control measures, the re-start of regular Sunday church services and children's activities around the UK based in:
 - a. Central London at the Dominion Theatre.
 - b. South East London, at hired premises
 - c. Guildford, Surrey at G-Live.
 - d. Tonbridge, Kent at The River Centre.
 - e. Oxford, Oxfordshire at the Odeon Theatre
 - f. Newcastle-Upon-Tyne at Westgate Hall.
 - g. North London at the Bernie Grant Arts Centre.
 - h. Edinburgh, Scotland at the Rose Theatre
 - i. Liverpool at various locations within the city.

Trustees' Report (Including Strategic Report) (continued)

- j. Birmingham at various locations within the city.
- k. Croydon, London at Fairfield Hall.
- l. Reading, Berkshire at the Reading Minster.
2. Within control measures, weekly church services broadcast on various platforms including content for the church members in the UK and specific content for youth and kids. Online content continues to be broadcast even as physical services restarted.
3. Mid-week home-based Small Groups across the UK. These groups continued under control measures, with groups and communities continuing to meet virtually, or in person if possible.
4. Regular Youth and Young Adults services and activities at various locations in London, Guildford and Tonbridge and Oxford when possible. Under control measures, groups met virtually or outdoors if permissible. Online content was produced for youth and kids ministries.
5. Youth Ministry, particularly to students in High Schools in the Greater London area.
6. Leadership training seminars and Evening College classes. This activity continued online.
7. Women's Ministry including seminars and events.
8. Distribution of relief to people in need of emergency assistance for matters such as accommodation, food vouchers, counselling, travel, rental arrears and home repairs.
9. Continued a major community program, Love Your Neighbour, together with other churches across the UK, providing emergency food assistance, financial education and career and job assistance to those impacted by the pandemic. Over 23,000 food hampers were delivered across the UK as part of this programme.
10. Support for programs for the relief of poverty in Uganda (Watoto), and in India (Vision Rescue). In addition, partnership with Compassion, sponsoring children in Uganda and other countries, and partnership with The A21 Campaign, a charity registered in England.
11. Support for local ministry to the homeless, including provision and maintenance of 'Green Light' medical vans to provide assistance to the homeless in London. The Green Light activity was able to support additional programs in 2021 including medical support to Asylum Seekers arriving in UK, and provision of vaccination programs.
12. Ministry to the Elderly in the community including regular volunteer teams assisting at local centres where possible.
13. Support for the needs of refugees in the UK and Europe, including collection of clothing items, assistance with practical settlement help, and provision of English programs.
14. Football programs and workshops for Refugee youth, including weekly football sessions.
15. A Christmas event that was due to be held at the SSE Arena, Wembley with a large Christmas production open to all areas of the community. This event was unfortunately cancelled the day before due to Covid-19 cases.
16. A performing arts academy held on Saturdays including dance, vocals acting and music classes for ages 4-21. This was held in a combination of in person and online classes.
17. A Heart for the House annual offering, part of which was used to support charitable programs including social justice causes.
18. Support to other Churches and Ministries in the UK, and Europe.

New activities & initiatives commenced in the year focused on the restart of in-person activities, and the emerging needs in the community. These included the following:

1. Launch of full services at a new location in Reading, Berkshire.
2. Increased and diversified activity of our Green Light teams including providing including provision of Asylum Seeker Initial Health Screens in partnership with NHS, and participation in GLA rough sleeper programs.
3. Acquisition of properties for use as part of the charity's participation in the UK Community Sponsorship Scheme.
4. New activity under Asylum Seeker programs including provision for clothing and school uniforms, support for new programs for Afghan refugees, and additional Christmas gift programmes.

With a return to activity at a scope reduced from pre-Covid activities, approximately 1,000 volunteers continued to be involved in activities conducted or supported by Hillsong Church including:

- Running Sunday services in London, Guildford, Tonbridge, Oxford, Newcastle, Edinburgh, Liverpool, Birmingham and Reading.
- Producing and organising online services and other online content.
- Leading Small Groups in Greater London, Surrey, Kent, Oxford, Newcastle, Edinburgh, Liverpool, and Birmingham.
- Running women's ministries in London Greater London, Surrey, Kent, Oxford and Newcastle.

Trustees' Report (Including Strategic Report) (continued)

- Leading youth ministries in Greater London, Surrey, Kent, Oxford and Newcastle.
- Helping the homeless in London by travelling with the Green Light van seven days per week.
- Participating in activities supporting refugees including running community based workshops and activities and distribution of clothing and other items.
- Assisting in the outworking of the Love Your Neighbour program including leading courses, distributing food support and managing collection of items.

In the consideration of all activities undertaken the trustees have had regard to the public benefit guidance published by The Charity Commission.

Achievements and performance

In prior years, achievement and performance has been primarily measured against targets for financial growth, by the increased number of attendees at Sunday services and other gatherings, and by the number of members volunteering.

With Covid-19 control measures in place, Sunday services, our regular conferences and any other gatherings were not able to proceed. Therefore, the measurement of the Church's impact and achievements was focussed on online engagement to services and other content, as well as the number of mid-week groups. In the period since ceasing services, numbers of people engaged in Sunday online services has remained consistent, and during the year the number of mid-week groups meeting increased.

Achievements in the areas of social justice activity increased, with an increase in the number of individuals assisted and the number of new programmes launched.

The Covid-19 control measures in the UK continue to have an impact on the charity's activities. This impact is discussed below. In 2022 Hillsong globally announced a transition of senior leadership, however there is no change to Hillsong Church London's objectives as a result of this. The general economic conditions in the UK may have an impact on the charity, however these items are managed within our risk framework. To our knowledge, there are no other internal or external factors that will significantly prevent us from achieving our future objectives.

Financial review

Balance sheet funds stood at £10,424,465 (2020: £10,573,488) comprising Restricted Funds of £2,514,050 (2020: £2,541,348) and Unrestricted Funds of £7,910,415 (2020: £8,032,140).

During this financial year, the charity made a net deficit of £149,023. This was a decrease from 2020 where a surplus of £2,161,620 was made. The 2020 financial results were a result of many costs reducing significantly under Covid-19 control measures.

The charity's main source of income continues to be donations from church members.

Governance costs represent less than 1% of total resources expended.

During Covid-19 control measures, the charity was able to reduce costs to offset the reduction in income during the year. In 2021 the surplus created in prior years was utilised in part to invest into the cost of returning to regular activity when regulations allowed. In spite of the challenges of 2021, the charity has been able to manage to maintain a satisfactory financial position.

Reserves policy

The charity had reserves of £10,424,465 at 31 December 2021. Of the total reserves of £10,424,465 an amount of £2,514,050 is considered restricted funds. Restricted funds relate to the Hillsong Building Fund, Spring the Trap (Green Light) funds and other social justice funds which are received and passed on to partner organisations.

The total unrestricted reserves of £7,910,415 consists of £2,738,598 in cash, with the remainder represented by fixed assets of £8,753,078, other current assets of £1,590,684 less creditors of £5,171,945. The total restricted reserves of £2,514,050 consists of £987,675 in cash, with the remainder represented by fixed assets.

In 2021 the reserves policy was refreshed and stipulated a goal of holding unrestricted cash equal to three months of staffing costs and debt repayments, equal to approximately £1m. It was acknowledged that in the season of investment into returning to activities post Covid-19 restrictions, and when building costs were needed, it would be acceptable to hold reserves below this amount at this time.

Trustees' Report (Including Strategic Report) (continued)

The planning for future years includes plans to reduce costs and grow income to allow for increased unrestricted surplus funds to contribute to unrestricted reserves. In the opinion of the trustees, the current unrestricted assets of £4,329,282 represent a cash or cash equivalent reserve of sufficient levels, with saleable fixed assets representing a further capacity for reserve cash if it was required.

Plans for future years

Our mission and objectives for the future remain the same as outlined earlier, that is, to continue to communicate the Gospel of Jesus Christ.

Our objectives for the future are to build on the growth experienced and see a substantial increase in the number of people establishing a personal relationship with the Lord Jesus Christ. This objective will be fulfilled by creating additional capacity for Sunday services in existing and new locations. We also seek to see increasing numbers of people actively involved in Church life by attending Small Groups or being involved in our volunteer teams and other activities.

We will continue hosting our conferences in future years. Our plan is that these conferences will reach a wider cross section of church leaders and team members from across Europe and other nations inspiring them to keep building their local church and making a positive difference in their world.

We will continue to provide opportunities for designated giving towards specific projects, which we will partner within the UK and overseas. Our aim is for every member of the Church to do at least one thing, and sustain it, which helps someone else break the cycle of poverty.

We aim to help people in our Church become mature Christians, through a clear understanding of the Bible and how it applies to their life.

The control measures imposed by the UK Government in response to the Covid-19 has a significant impact on the charity and its plans for the future. As at the current date there are no longer restrictions on holding services which means we will continue to hold Sunday church services in our venues in the future. A significant change during Covid-19 restrictions has been the increase of online meetings and content. This will continue in the future which allows individuals in the church increased options to engage with church services and other events. Online formats have been successful and will continue to be used for any other meetings where it is appropriate. The conferences for 2022 will be held as online events, or postponed until future years, depending on continued restrictions, travel options and financial position.

The activity to support those in need of emergency assistance, homeless in the UK, elderly in the community and refugees in the UK has continued. The charity has been able to respond quickly and effectively to the needs of the community and in particular, the work to support Refugees and Asylum Seekers will continue to grow in future years. Other programs such as Love Your Neighbour which commenced during the pandemic will continue.

The financial implications of the charity's future plans are discussed below.

During 2020 Hillsong began actively searching for a substantial property purchase in London. On 12 January 2022 Hillsong Church London acquired new property asset in North London for the price of £6.8 million. This was funded by a combination of cash reserves and debt secured against the property.

Structure, governance and management

Day to day management is vested in the management team led by the senior pastor.

Hillsong Church London is governed by Memorandum and Articles of Association dated 22 June 2005 and most recently amended 14 October 2021. It is incorporated and domiciled in the United Kingdom. The address of the registered office is 425 New Kings Road, Fulham, London, SW6 4RN.

The trustees have delegated all aspects of decision making to the management team.

The charity is affiliated with other Hillsong churches across the world including in Australia, South Africa, the U.S.A., South America, Europe and has established churches in the Netherlands, Spain and Italy.

The trustees have had due regard to the public benefit guidance published by the Charity Commission. The current Trustee body is diverse and dynamic and has the knowledge and skills required to ensure due diligence for the organisation. The board constitutes of nine trustees, seven who are locally based, one in Europe who travels to the UK regularly. Information on each of the trustees is included below:

Trustees' Report (Including Strategic Report) (continued)

- A Chartered Accountant and former senior financial manager with a major international insurance broker based in the UK, having over 30 years financial experience in a number of organisations both in the UK and overseas.
- A Managing Director of an automotive sales group, and the chairman of a charity focussed on youth activities, with extensive experience in the development, operation and management of youth based charities.
- A former National Chairman and Managing Partner of a major Australian national law firm, with extensive experience advising churches, educational institutions and charities.
- A CEO of a company which provides financial advice and is regulated by the Financial Conduct Authority, with extensive management and financial experience.
- A senior executive at a digital bank with experience in Transformation Director and Chief Operating Officer roles within large commercial and retail banks.
- A church management and leadership specialist, who travels regularly throughout Europe, Asia and the U.S.A. presenting to churches on management and at leadership seminars and has a Doctorate of Ministry in Church Administration.
- A partner of a London law firm specialising in Residential Property with extensive experience in volunteer leadership roles within church.
- An executive of a creative industries venture, with experience in managing and developing both private and social enterprises, including developing and overseeing community development programs.
- An investment banker at a large international investment bank, with experience in church roles including youth leadership.

The Trustees are provided with a Trustee Induction Pack with information on the organisation, the Trustees' role in relation to governance and their responsibilities under Charity Law.

Consideration for appointment of new trustees usually arises when new ventures or challenges are facing the Charity, all Trustees are at liberty to make recommendations to the Chairman and the Management, in discussion with the Chairman, also make recommendations to the Trustees. The trustees, after completion of due diligence, in turn make recommendations to the members, for appointment by resolution. New Trustees are selected giving regard to independence and maintaining a diverse group of skills and experience.

The remuneration of key management personnel is reviewed by the Chairman and two other trustees each year. Consideration is given to equivalent salaries of similar positions within the marketplace, using published salary information. In 2021 a Remuneration Committee was established to increase governance in this area, which will be operational in 2022.

Related parties

Hillsong NL, Hillsong Espana and Hillsong Italia are considered related parties as the board of trustees for these entities consist of trustees and management personnel of Hillsong London.

During the year, there were related party transactions totalling £291 (2020: £20,560) with Hillsong NL. This consists of £282 (2020: £20,560) paid on behalf of Hillsong NL for events held by Hillsong London and costs reimbursed of £573 (2020: £Nil) paid to Hillsong NL in the year. There were costs of £Nil (2020: £Nil) paid on behalf of Hillsong Espana. There were also costs of £3,637 (2020: £49,761), tithes and offerings of £4,112 (2020: £45,292) and sale of teaching resources of £59 (2020: £Nil) on behalf of Hillsong Italia. There were no donations received from related parties (2020: £nil).

No trustee received remuneration in relation to their duties as trustees or incurred expenses (2020: £nil). During the year trustees received remuneration in respect of services provided by them including legal services, management consultancy services and supplying teaching resources. The trustees' remuneration for these items for the year was £96,026 (2020: £83,886).

Risk management

The Church is a fit for purpose organisational structure, Company Limited by Guarantee.

Both the risks and systems are regularly reviewed with a risk register maintained by the trustees. The risk register presents the principal risks facing the Church in the following categories:

- Facilities
- Operational
- Human Resources
- Security

Trustees' Report (Including Strategic Report) (continued)

- Fraud
- Financial
- IT, Data and Cyber
- Public Relations
- Legal and Regulatory

These risks have been mitigated, with action taken, including the following:

- Separation of authority to approve significant financial decisions
- Regular reporting of areas of risk to the trustees. This reporting includes the operation of a risk log, risk rating matrix and regular reporting of metrics for risk management
- Engagement of external consultants to advise on significant issues
- Regular review of policies and procedures

A summary of those risks considered to have a very high maximum potential for impact as per the risk log is including below:

Potential Risk	Risk mitigation controls
Loss of, or significant disruption of key venue, leading to increased costs, reduced congregation, strain on human resources and reduced ability to meet Church objectives	<ul style="list-style-type: none"> • Identification of alternative venues for all key sites • Maintenance of strong relationships with landlords • The ability to stream online services • Develop and establish a strong groups culture • Activity seek options to acquire or lease permanent venues
A lack of control or poorly designed procedures leads to a safeguarding issue which has a significant impact on the individuals concerned as well as creating legal, financial and reputational risk for Church.	<ul style="list-style-type: none"> • Appropriate oversight and staff roles for safeguarding matters. • DBS checks for all staff and volunteers who interact with children and vulnerable adults • Regular safeguarding training for all relevant individuals • Provision of adequate staff and volunteers to meet required supervision ratios in Kids & Youth • Development and communication of safeguarding policies
A staff member or volunteer is mistreated and has a negative impact on the individual, as well as resulting in legal, financial and reputational risk	<ul style="list-style-type: none"> • Provision and maintenance of appropriate role descriptions • Structured process for performance evaluation and promotion in place • Well-being framework beginning with a process and policy for access to health intervention services
A lack of physical security leads to loss of assets or injury or death of staff, volunteers and congregation	<ul style="list-style-type: none"> • Use of venue-provided security personnel and procedures • Liaison with Police in relation to key security concerns and/or major events • Event planning policies and procedures cover physical security requirements • Provision of staff or volunteers with appropriate training, as required
Damage to confidence of stakeholders caused by issues outside the UK, by UK staff or by UK volunteers or congregation results in loss of access to venues, financial stress and/or regulatory challenge	<ul style="list-style-type: none"> • Policy guidelines on employee conduct documented, communicated and followed • Staff and team leaders ensure appropriate selection of volunteers and volunteer training and supervision on an ongoing basis via team nights and other events • Policy in place and followed regarding staff recruitment process and ongoing performance evaluation

Additional risks are managed within the charity's risk framework.

Trustees' Report (Including Strategic Report) (continued)

Going concern

As discussed above, the UK Government's Covid-19 control measures, and particularly the restrictions on public gatherings, has had an impact on the charity. The main impact was the inability to hold any gatherings, including Sunday services and large conferences, until mid 2021. The main risk to the charity from this action was the financial risk of lower than expected donation income. This risk is amplified by the general economic conditions within the UK, inflation levels and loss of income within the general population.

In response to this risk, the charity took and in 2022 continues to take the following steps:

- Reviewing and reducing all expenditure to essential items only
- Liaising with venue suppliers for postponement and / or refund of prepaid costs and contracted liabilities
- Continuing to offer opportunities to donate to unrestricted and restricted funds through online services, including the promotion of electronic methods for donations and regularly communicating to church congregation on activities.
- Detailed planning and financial forecasting for 2022 and beyond, including understand the capacity of reserves, cash position and options to reduce future costs.

The financial investment required in 2021 and the preparation for property acquisition meant cash reserves were utilised in part in the year. At the end of the year cash reserves remain adequate to settle liabilities as they fall due. The trustees have considered the period of at least 12 months from signing these accounts.

Given the charity's current ability to reduce costs and respond to income levels and its retention of cash reserves, the trustees' are of the opinion that the charity can continue as a going concern.

The trustees, working closely with the members and management team, have in place the infrastructure to continue our mission to advance the Christian faith through growing the Church and maintaining our mission to London, the UK and other nations.

Trustees' statement of responsibilities

The Trustees (who are also directors of Hillsong Church London for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the charitable company and group and of the income, expenditure and financial activities of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

RSM UK Audit LLP has expressed its willingness to continue in office.

Trustees' Report (Including Strategic Report) (continued)

Statement of disclosure to auditors

- a) So far as the Trustees are aware, there is no relevant audit information of which the charity's auditors are unaware, and
- b) They have taken all the steps they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

The Trustees Report, which incorporates the Strategic Report has been approved by the Board of Trustees at its meeting on.....31..May..... 2022 and signed on its behalf by:


.....

R A Newton
Director

Independent Auditor's report to the Members of Hillsong Church London

Opinion

We have audited the financial statements of Hillsong Church London (the 'charitable company') for the year ended 31 December 2021 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Trustees' Report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Trustees' Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report, which includes the Directors' Report and the Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report and the Strategic Report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report or the Strategic Report included within the Trustees' Report.

Independent Auditor's report to the Members of Hillsong Church London (continued)

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 10, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the charitable company operates in and how the charitable company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011, the charitable company's governing document, tax legislation and Charities (Protection and Social Investment) Act 2016. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report and remaining alert to new or unusual transactions which may not be in accordance with the governing documents.

Independent Auditor's report to the Members of Hillsong Church London

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to General Data Protection Regulations and Health and Safety. We performed audit procedures to inquire of management whether the group is in compliance with these laws and regulations and inspected correspondence with regulatory authorities.

The audit engagement team identified the risk of management override of controls and voluntary income and income recognition as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgments and estimates and testing income through a combination of tests of control and tests of detail, including testing post year end receipts.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

Nicholas Sladden (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
25 Farringdon Street
London
EC4A 4AB

Date: 22 June 2022

Statement of Financial Activities (incorporating an income and expenditure account)
For the Year Ended 31 December 2021


		2021			2020		
		Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	Notes	£	£	£	£	£	£
Incoming resources							
Donations	3	10,928,624	968,375	11,896,999	13,093,390	1,076,446	14,169,836
Charitable activities	4	387,978	-	387,978	355,406	-	355,406
Investments		3,636	-	3,636	3,835	-	3,835
Other income	5	28,467	9,000	37,467	174,311	-	174,311
Total incoming resources		<u>11,348,705</u>	<u>977,375</u>	<u>12,326,080</u>	<u>13,626,942</u>	<u>1,076,446</u>	<u>14,703,388</u>
Resources expended							
Raising funds	6	3,172,446	-	3,172,446	3,179,777	-	3,179,777
Charitable activities	6	8,297,984	1,004,673	9,302,657	8,636,727	725,264	9,361,991
Total resources expended		<u>11,470,430</u>	<u>1,004,673</u>	<u>12,475,103</u>	<u>11,816,504</u>	<u>725,264</u>	<u>12,541,768</u>
Net movement in funds		(121,725)	(27,298)	(149,023)	1,810,438	351,182	2,161,620
Reconciliation of funds:							
Total funds brought forward	17	8,032,140	2,541,348	10,573,488	6,221,702	2,190,166	8,411,868
Transfer of funds	17	-	-	-	-	-	-
Total funds carried forward		<u>7,910,415</u>	<u>2,514,050</u>	<u>10,424,465</u>	<u>8,032,140</u>	<u>2,541,348</u>	<u>10,573,488</u>

The statement of financial activities includes all gains and losses in the year.

Statement of Financial Position as at 31 December 2021

		2021	2020
	Note	£	£
Fixed assets			
Tangible assets	10	10,279,453	8,614,232
Current assets			
Stocks	11	68,837	90,114
Debtors	12	1,521,847	2,225,459
Cash at bank and in hand	13	3,726,273	5,658,696
Total Current assets		5,316,957	7,974,269
Liabilities			
Creditors: amounts falling due within one year	14	(1,777,624)	(4,705,782)
Net current assets		3,539,333	3,268,487
Total assets less current liabilities		13,818,786	11,882,719
Creditors: Amounts falling due after more than one year	16	(3,394,321)	(1,309,231)
Total Net assets		10,424,465	10,573,488
The funds of the charity			
Restricted income funds	18	2,514,050	2,541,348
Unrestricted income funds		7,910,415	8,032,140
Total charity funds		10,424,465	10,573,488

Approved and authorised for issue by the trustees on31 May 2022..... and were signed on its behalf by:


.....
R A Newton
Director

The notes on pages 18 – 31 form part of these financial statements.
Company number: 05487537 (England and Wales)
Charity number: 1120355 (England and Wales)

Statement of Cash Flows
For the year ended 31 December 2021

	Note	2021 £	2020 £
Cash generated from operating activities	20	917,683	2,804,459
		<hr/>	<hr/>
Cash flows from investing activities			
Interest income		3,636	3,835
Interest expenditure		(71,914)	(85,039)
Purchase of tangible fixed assets		(2,573,215)	(946,482)
Proceeds on disposal of tangible assets		84,449	34,853
		<hr/>	<hr/>
Cash used in investing activities		(2,557,044)	(992,833)
		<hr/>	<hr/>
Cash flows from financing activities			
Proceeds of new loans		2,250,000	-
Repayment of borrowings		(2,431,527)	(237,090)
Payment of obligations under finance leases		(111,535)	(66,193)
		<hr/>	<hr/>
Cash used in financing activities		(293,062)	(303,283)
		<hr/>	<hr/>
Increase in cash and cash equivalents in the year		(1,932,423)	1,508,343
Cash and cash equivalents at the beginning of the year		5,658,696	4,150,353
		<hr/>	<hr/>
Cash and cash equivalents at the end of the year	13	3,726,273	5,658,696
		<hr/>	<hr/>

Notes forming part of the Financial Statements

1. Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

General information

Hillsong Church London is a company limited by guarantee (Companies House No. 05487537) and a registered charity (Registered Charity No. 1120355). It is governed by Memorandum and Articles of Association dated 22 June 2005 and most recently amended 14 October 2021. It is incorporated and domiciled in the United Kingdom. The address of the registered office is 425 New Kings Road, Fulham, London, SW6 4RN.

Basis of preparation

These Financial Statements have been prepared in accordance with the Charities Act 2011, the Companies Act 2006, and the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Hillsong Church London meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historic cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest whole £.

Going concern

As discussed in the trustees' report, the UK Government's Covid-19 control measures, and particularly the restrictions on public gatherings, has had an impact on the charity. The main impact has been the inability to hold any gatherings, including Sunday services and large conferences until mid-2021. The main risk to the charity from this action is the financial risk of lower than expected donation income. This risk is amplified by the general economic conditions within the UK, inflation levels and loss of income within the general population.

In the event of restrictions being lifted on church gatherings, the risk remained primarily financial, in that costs of activities would return, but income would remain lower than at pre Covid-19 levels.

The trustees consider the use of the going concern basis of accounting is appropriate. While there is a general economic uncertainty within the UK, the trustees have considered the charity's ability to reduce costs, and remain of the opinion that the charity can continue as a going concern. While there is a significant asset purchase in early 2022, this will enable the charity to increase activity and reduce other operating costs. There are no other material uncertainties related to events or conditions that may cast significant doubt about the ability of the Church to continue as a going concern.

Income

Donation income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met and it is probable that the income will be received and the income can be reliably measured.

Income is received by way of donations, tithes and offerings and is included in full in the statement of financial activities when received. Donations arising under Gift Aid are accounted for on the date of receipt and provisions are made for income tax remaining unclaimed at the year end.

Income from charitable activities

Income from conferences, events, and sales of Christian resources are made in furtherance of the objects of the Church, and are accounted for when income is receivable.

Income received in advance of an event is deferred until the criteria for income recognition are met.

Notes forming part of the Financial Statements (continued)

1. Accounting policies (continued)

Investment income

Investment income relates to interest on funds held on deposit and is recognised when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Cost of raising funds comprises the costs of commercial trading including venue premises, productions and their associated support costs.
- Expenditure on charitable activities includes, but is not limited to, the cost of conferences and events, resource sales, teaching and ministry, missions and governance.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Allocation of support costs

Total expenditure includes the allocation of support costs to the various expenditure categories set out in the statement of financial activities. These support costs relate to the corporate functions including information technology, property and facilities management, human resources, finance and governance, in addition to the support costs incurred by communications and other centralised departments that are not otherwise directly allocated. Support costs have been allocated to activities based on the apportionment of time spent by employees in each category. This apportionment is calculated for each key employee department.

Governance costs represent costs from external service providers relating to the strategic management of the Church. While the trustees meet regularly on an informal and formal basis to discuss strategic and governance issues, the Church structure and involvement of the trustees in its day-to-day activities means that these meetings do not give rise to specific costs.

Leases

An asset and corresponding liability are recognised for leasing agreements that transfer to the Church substantially all of the risks and rewards incidental to ownership ("finance leases"). The amount capitalised is the fair value of the leased asset or, if lower, the present value of the minimum lease payments payable during the lease term, both determined at inception of the lease. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are expensed as incurred.

Operating lease rentals are charged to the statement of financial activities on a straight line basis over the life of the lease.

Restricted funds

Restricted funds are to be used for specified purposes as laid down by the donor. Expenditure which meets these criteria is identified to that fund.

Details of restricted funds are disclosed in note 18.

Notes forming part of the Financial Statements (continued)

1. Accounting policies (continued)

Unrestricted funds

Unrestricted funds are donations and other income received or generated for the objectives of the Church without further specified purpose and are available as general funds.

Tangible fixed assets

Fixed assets are for use by the Church in fulfilling its main charitable objectives and are capitalised and depreciated. Items under £1,000 are written off against income in the year of purchase.

Depreciation is charged at a rate to reduce useful economic lives of tangible fixed assets to £nil in accordance with the following policies:

Freehold buildings	- 2% reducing balance basis (10%-25% on property improvements)
Production equipment	- 10-33% straight line basis
Vehicles	- 33.3-50% straight line basis
Office equipment	- 20-33.3% straight line basis
Leasehold improvements	- 10-20% straight line basis

No depreciation is provided in respect of freehold land.

Donated goods

Donated goods for on-going use by a charity in carrying out its activities are recognised as tangible fixed assets with the corresponding gain recognised as income from donations within the statement of financial activities.

Donated goods held as tangible fixed assets are subject to depreciation and are assessed at the reporting date of whether there is any indication that the asset should be written down to its recoverable amount.

Impairments of fixed assets

An assessment is made at each reporting date of whether there are indications that a fixed asset may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, the charitable company estimates the recoverable amount of the asset.

Stocks

Stock is included at the lower of cost or net realisable value. Donated items of stock are recognised at fair value which is the amount the charity would have been willing to pay for the items on the open market.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors are initially recognised at transaction price. The Charity has not entered into any financing transactions.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Notes forming part of the Financial Statements (continued)

1. Accounting policies (continued)

Cash and cash equivalents

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Employee benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

Pensions

The church contributes to a defined contribution scheme with Scottish Widows in respect of staff. Contributions are charged to the income and expenditure account when payable. Differences between contributions payable in the year and contributions actually paid are shown as either other creditors or other debtors.

Grant income

The charity has chosen to include the Covid-19 Job Retention Scheme grant, the Retail, Hospitality and Leisure grant fund (RHLGF) and the Mental Health and Emotional Wellbeing Council Grant in other income in its financial statements. In the prior year, the organisation availed itself of the furlough scheme and the RHLGF scheme introduced by the government in light of the Covid-19 pandemic, and in the current year the organisation availed itself of the furlough scheme and the Mental Health and Emotional Wellbeing Council Grant. During the period an amount of £15,754 (2020: £174,311) was claimed under the schemes. This amount is reflected in other income on the face of the SOFA.

2. Judgement in applying accounting policies and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations for future events that are believed to be reasonable under the circumstances.

Leases

In categorising leases as finance leases or operating leases, management makes judgements as to whether significant risks and rewards of ownership have transferred to the Company as lessee.

Notes forming part of the Financial Statements (continued)

3. Incoming resources from donations

	2021			2020		
	Unrestricted £	Restricted £	Total £	Unrestricted £	Restricted £	Total £
Tithes & Offerings	9,148,244	968,375	10,116,619	10,995,377	1,076,446	12,071,823
Gift Aid Claimed	1,780,380	-	1,780,380	2,098,013	-	2,098,013
	<u>10,928,624</u>	<u>968,375</u>	<u>11,896,999</u>	<u>13,093,390</u>	<u>1,076,446</u>	<u>14,169,836</u>

4. Income from charitable activities

	2021			2020		
	Unrestricted £	Restricted £	Total £	Unrestricted £	Restricted £	Total £
Conferences and events	278,527	-	278,527	141,504	-	141,504
Resource sales	1,218	-	1,218	16,265	-	16,265
Music royalties receivable	4,586	-	4,586	6,044	-	6,044
Other income	103,647	-	103,647	191,593	-	191,593
	<u>387,978</u>	<u>-</u>	<u>387,978</u>	<u>355,406</u>	<u>-</u>	<u>355,406</u>

5. Other income

	2021			2020		
	Unrestricted £	Restricted £	Total £	Unrestricted £	Restricted £	Total £
Profit on disposal of tangible fixed assets	21,713	-	21,713	-	-	-
Coronavirus Job Retention Scheme	6,754	-	6,754	149,311	-	149,311
Retail, Leisure and Hospitality Grant Scheme	-	-	-	25,000	-	25,000
Mental Health and Emotional Wellbeing Council Grant Scheme	-	9,000	9,000	-	-	-
	<u>28,467</u>	<u>9,000</u>	<u>37,467</u>	<u>174,311</u>	<u>-</u>	<u>174,311</u>

Notes forming part of the Financial Statements (continued)

6. Total resources expended

	Basis of allocation	Cost of raising funds £	Conference and events £	Resource sales £	Teaching and ministry £	Missions £	Governance costs £	Total 2021 £	Total 2020 £
Costs directly allocated to activities									
Staff costs	Direct	-	117,453	-	3,080,865	-	-	3,198,318	3,547,766
Venue costs	Direct	1,666,405	128,800	-	300	-	-	1,795,505	1,542,360
Production costs, equipment hire and transport costs	Direct	812,487	398,084	-	22,760	-	-	1,233,331	911,880
Ministry and mission expenses	Direct	120,046	82,292	-	1,437,271	954,507	-	2,594,116	2,734,336
Cost of sales	Direct	-	-	124,374	-	-	-	124,374	174,020
Support costs allocated to activities									
Staff costs	Staff time	72,894	168,963	12,149	737,464	31,811	10,103	1,033,384	951,195
Premises	Staff time	37,315	86,493	6,219	377,509	16,284	5,172	528,992	533,347
General management and office administration costs	Staff time	30,182	69,959	5,030	305,790	13,171	4,183	428,315	428,911
Communications and IT costs	Staff time	29,775	69,017	4,963	301,235	12,994	4,127	422,111	506,939
Legal and professional	Direct	-	-	-	-	-	60,462	60,462	42,171
Accounting fees	Direct	-	-	-	-	-	59,488	59,488	54,089
Audit fees	Direct	-	-	-	-	-	35,500	35,500	33,300
Depreciation	Staff time	403,342	99,179	7,131	432,882	18,673	-	961,207	964,238
Loss on disposal of fixed assets	Staff time	-	-	-	-	-	-	-	117,216
Total resources expended		<u>3,172,446</u>	<u>1,220,240</u>	<u>159,866</u>	<u>6,696,076</u>	<u>1,047,440</u>	<u>179,035</u>	<u>12,475,103</u>	<u>12,541,768</u>

Expenditure on charitable activities was £9,302,657 (2020: £9,361,991), of which £8,297,984 was unrestricted (2020: £8,636,727) and £1,004,673 was restricted (2020: £725,264).

Notes forming part of the Financial Statements (continued)

7. Analysis of expenditure

This is stated after charging:

	2021 £	2020 £
Auditors' remuneration - audit	35,500	33,300
Auditors' remuneration - other services	56,502	54,089
Depreciation		
Owned	951,115	923,773
Leased	10,092	40,465
Operating lease rentals	718,153	671,391
Loss / (profit) on disposal of fixed assets	(21,713)	117,216
	<hr/>	<hr/>

8. Analysis of staff costs and costs of key management personnel

	2021 £	2020 £
Wages and salaries	3,468,991	3,809,814
Social security costs	377,421	372,803
Pension costs	133,046	135,852
	<hr/>	<hr/>
	3,979,458	4,318,469
	<hr/>	<hr/>

No trustee received remuneration in relation to their duties as trustees or incurred expenses (2020: £nil). During the year two (2020: two) trustees received remuneration in respect of other services provided by them. The trustees' remuneration for the year was £96,026 (2020: £83,886). The trustees are responsible for governing the charity and directing how it is managed and run.

Key management personnel is defined as those persons having authority and responsibility for planning, directing and controlling the activities of the entity directly or indirectly, which is comprised of the trustees and the management team as defined on page 3. The total employee benefits and remuneration of the key management personnel during the year, including employer NI, was £303,378 (2020: £293,014).

The average monthly number of employees during the year was as follows:

	2021 No	2020 No
	100	113
	<hr/>	<hr/>

No member of staff received remuneration between £170,000 - £180,000 (2020: one), none between £140,000 and £150,000 (2020: one), one between £100,000 and £110,000 (2020: none) none between £90,000 - £100,000 (2020: none), one between £80,000 - £90,000 (2020: one) three between £70,000 and £80,000 (2020: none), three between £60,000 - £70,000 (2020: two).

Pensions contributions paid to higher paid staff during the year to 31 December 2021 were £25,528 (2020: £24,025).

Notes forming part of the Financial Statements (continued)

9. Donated services and facilities

There are approximately in excess of 1,000 (2020: 2,000) unpaid volunteers involved in activities conducted or supported by Hillsong Church. The value to be placed on these resources cannot be reliably quantified and measured and is not therefore recognised in the statement of financial activities.

10. Tangible fixed assets

	Freehold land and buildings £	Leasehold Improvement £	Production equipment £	Vehicles £	Office equipment £	Total £
Cost						
At 1 January 2021	6,472,172	1,024,446	5,827,176	418,845	1,607,810	15,350,449
Additions	1,829,313	305,345	417,883	50,293	86,330	2,689,164
Disposals	-	-	-	(119,601)	(217,519)	(337,120)
At 31 December 2021	8,301,485	1,329,791	6,245,059	349,537	1,476,621	17,702,493
Depreciation						
At 1 January 2021	758,096	467,160	3,933,344	358,379	1,219,238	6,736,217
Charge for the year	165,844	105,233	502,892	40,714	146,524	961,207
On disposals	-	-	-	(71,598)	(202,786)	(274,384)
At 31 December 2021	923,940	572,393	4,436,236	327,495	1,162,976	7,423,040
Net book value 31 December 2021	7,377,545	757,398	1,808,823	22,042	313,645	10,279,453
Net book value 31 December 2020	5,714,076	557,286	1,893,832	60,466	388,572	8,614,232

Barclays Plc holds a first charge over all tangible fixed assets owned by The Church under mortgage at the year end.

Included in the total net book value of assets is £87,155 (2020: £72,686) in respect of assets held under finance leases and similar hire purchase contracts. Depreciation for the year on these assets was £10,092 (2020: £40,465).

11. Stocks

During the year, an impairment loss of £Nil (2020: £Nil) was recognised on stocks held.

12. Debtors

	2021 £	2020 £
Trade debtors	21,415	29,160
Gift Aid recoverable	58,987	59,266
Other debtors	236,691	656,220
Prepayments and accrued income	1,204,754	1,480,813
	1,521,847	2,225,459

Notes forming part of the Financial Statements (continued)

13. Cash at bank and in hand

	2021 £	2020 £
Cash at bank	3,719,975	5,652,201
Cash in hand	6,298	6,495
	<hr/>	<hr/>
	3,726,273	5,658,696
	<hr/>	<hr/>

14. Creditors: amounts falling due within one year

	2021 £	2020 £
Bank loan	290,604	2,620,651
Obligations under finance leases	47,231	49,760
Trade creditors	893,512	859,382
Taxation and social security	110,636	110,538
Other creditors	55,163	112,249
Accruals and deferred income	380,478	953,202
	<hr/>	<hr/>
	1,777,624	4,705,782
	<hr/>	<hr/>

A bank loan was obtained in July 2008 from Barclays Bank over a 20 year term with 228 capital repayment instalments. The current repayments are £9,019 per month together with interest payments at the bank base rate plus 1.20%.

In October 2021 a loan obtained in August 2016 was repaid, and a new loan of £2,250,000 was obtained from Barclays Bank over a 5 year term with 20 capital repayment instalments. The current repayments are £37,500 per quarter plus interest payments at the bank base rate plus 2.70%.

In October 2021 a second loan obtained in August 2016 was repaid, and a further new loan was obtained from Barclays Bank over a 5 year term with 20 capital repayment instalments. The current repayments are £2,967 per quarter plus interest payments at the bank base rate plus 2.70%.

Finance leases were taken out during prior years for motor vehicles and production equipment over lease terms of 3 years, with 35 capital repayment instalments. One finance lease was taken out in 2021 relating to motor vehicles, over a lease term of 3 years with 35 capital repayment instalments. A further finance lease was taken out in 2021, relating to production equipment, over a lease term of 2 years with 24 capital repayment instalments. Total current repayments in 2021 under finance leases are £68,113 (2020: £62,881) plus interest of £8,059 (2020: £8,740).

Included in other creditors above is £22,001 (2020: £24,365) owing to the pension fund.

Notes forming part of the Financial Statements (continued)

15. Deferred income

	2021 £	2020 £
At 1 January	759,248	1,290,297
Less amount released to income resources	(759,248)	(1,290,297)
Plus amount deferred in the year	802,828	759,248
	<hr/>	<hr/>
At 31 December	802,828	759,248
	<hr/>	<hr/>

As at 31 December 2021 and 31 December 2020 all deferred income relates to income received in advance of conferences and events to be held at a future date.

16. Creditors: amount falling due after more than one year

	2021 £	2020 £
Bank loan	2,811,320	662,800
Obligations under finance leases	25,445	18,502
Accruals and deferred income	557,556	627,929
	<hr/>	<hr/>
	3,394,321	1,309,231
	<hr/>	<hr/>
Analysis of bank loan and finance leases:	2021 £	2020 £
Debt can be analysed as falling due		
In one year or less, or on demand	337,835	2,670,411
Between one and two years	318,746	125,049
Between two and five years	483,362	305,387
In five years or more	2,034,657	250,868
	<hr/>	<hr/>
	3,174,600	3,351,715
	<hr/>	<hr/>

Notes forming part of the Financial Statements (continued)

17. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	2021 Total £	Unrestricted Funds £	Restricted Funds £	2020 Total £
Tangible fixed assets	8,753,078	1,526,375	10,279,453	8,180,851	433,381	8,614,232
Current assets	4,329,282	987,675	5,316,957	5,866,302	2,107,967	7,974,269
Current liabilities	(1,777,624)	-	(1,777,624)	(4,705,782)	-	(4,705,782)
Non-current liabilities	(3,394,321)	-	(3,394,321)	(1,309,231)	-	(1,309,231)
Fund Total	7,910,415	2,514,050	10,424,465	8,032,140	2,541,348	10,573,488
Reconciliation of funds						
Total funds brought forward at 1 January	8,032,140	2,541,348	10,573,488	6,221,702	2,190,166	8,411,868
Movement in funds	(121,725)	(27,298)	(149,023)	1,810,438	351,182	2,161,620
Total funds carried forward at 31 December	7,910,415	2,514,050	10,424,465	8,032,140	2,541,348	10,573,488

18. Analysis of restricted income funds

Summary of the activity of the restricted funds for 2021 was as follows :

	Balance Brought forward 2021 £	Incoming resources £	Outgoing resources £	Depreciation £	Balance carried forward 2021 £
Spring the Trap	60,058	131,215	(122,477)	-	68,796
Because We Can	63,447	163,614	(174,457)	-	52,604
Building Fund	2,176,855	281,251	(36,754)	(34,480)	2,386,872
Youth Services	-	4,821	-	-	4,821
Love Your Neighbour	240,988	396,474	(636,505)	-	957
Total	2,541,348	977,375	(970,193)	(34,480)	2,514,050

Summary of the activity of the restricted funds for 2020 was as follows :

	Balance Brought forward 2020 £	Incoming resources £	Outgoing resources £	Balance carried forward 2020 £
Spring the Trap	49,106	179,962	(169,010)	60,058
Because We Can	35,563	210,159	(182,275)	63,447
Building Fund	2,105,497	239,275	(167,917)	2,176,855
Youth Services	-	2,788	(2,788)	-
Love Your Neighbour	-	447,050	(206,062)	240,988
Total	2,190,166	1,079,234	(728,052)	2,541,348

Notes forming part of the Financial Statements (continued)

Analysis of restricted income funds (continued)

The major restricted funds comprise Hillsong Foundation Funds, including:

Spring The Trap

As 'Green Light' (formerly City Care) funds are generated in order to provide care, compassion and support to people from all walks of life facing challenges in the local community.

Because We Can

Hillsong Church London collaborates with international social justice organisations as part of a global effort to make poverty history.

Building Fund

The Building Fund was set up using gifts specified to be used to acquire appropriate accommodation for the Church in the future, and to make improvements to church accommodation.

Youth Services

As the 'I Care Revolution' Hillsong delivers a strong message via schools to encourage people to start to take responsibility and care for others.

Love Your Neighbour

The Love Your Neighbour campaign exists to provide Covid-19 related relief, including provision of food supplies, financial and debt guidance and career advice.

19. Commitments

The total future minimum payments under non-cancellable operating leases are as follows:

	2021	2020
	£	£
Operating leases which expire :		
Within one year	844,724	573,987
Between one and five years	2,124,598	1,873,191
In over five years	1,158,750	1,369,583
	<hr/>	<hr/>
	4,128,072	3,816,761
	<hr/>	<hr/>

20. Reconciliation of net movement in funds to net cash flow from operating activities

	2021	2020
	£	£
Net movements in funds	(149,023)	2,161,620
Deduct interest income shown in investing activities	(3,636)	(3,835)
Add back interest expenditure shown in investing activities	71,914	85,039
Add back depreciation charges	961,207	964,238
(Profit) / loss on disposal of tangible asset	(21,713)	117,216
Decrease / (increase) in stocks	21,277	(13,735)
Decrease / (increase) in debtors	703,612	(94,715)
Decrease in creditors	(665,955)	(411,369)
	<hr/>	<hr/>
Net cash provided by operating activities	917,683	2,804,459
	<hr/>	<hr/>

Notes forming part of the Financial Statements (continued)

21. Analysis of changes in net funds

	At start of year	Cash flows	New finance leases	At end of year
	£	£	£	£
Cash at bank and in hand	5,658,696	(1,932,423)	-	3,726,273
Borrowings excluding overdrafts	(3,283,451)	181,527	-	(3,101,924)
Obligations under finance leases	(68,262)	111,535	(115,949)	(72,676)
	<u>2,306,983</u>	<u>(1,639,361)</u>	<u>(115,949)</u>	<u>551,673</u>

22. Related party transactions

Hillsong NL, Hillsong Espana and Hillsong Italia are considered related parties as the board of trustees for these entities consist of trustees and management personnel of Hillsong London.

During the year, there were related party transactions totalling £291 (2020: £20,560) with Hillsong NL. This consists of £282 (2020: £20,560) paid on behalf of Hillsong NL for events held by Hillsong London and costs reimbursed of £573 (2020: £Nil) paid to Hillsong NL in the year. There were costs of £Nil (2020: £Nil) paid on behalf of Hillsong Espana. There were also costs of £3,637 (2020: £49,761), tithes and offerings of £4,112 (2020: £45,292) and sale of teaching resources of £59 (2020: £Nil) on behalf of Hillsong Italia. There were no donations received from related parties (2020: £nil).

No trustee received remuneration in relation to their duties as trustees or incurred expenses (2020: £nil). During the year trustees received remuneration in respect of services provided by them including legal services, management consultancy services and supplying teaching resources. The trustees' remuneration for these items for the year was £96,026 (2020: £83,886), remunerated to the following trustees:

	2021 £	2020 £
Ray Newton: Salary - Legal Counsel	28,145	28,162
David Whitewood: Salary	67,881	55,724
	<u>96,026</u>	<u>83,886</u>
Total		

There were no other outstanding balances with related parties as at 31 December 2021 (2020: £nil).

23. Controlling party

The company is limited by guarantee and does not have share capital. No one individual member has control.

Notes forming part of the Financial Statements (continued)

24. Events after the reporting date

On 12 January 2022 Hillsong Church London acquired new property asset in North London for the price of £6.8 million. This was funded by a combination of cash reserves and debt secured against the property.